

<i>SERFF Tracking Number:</i>	<i>JPFC-126608153</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Lincoln National Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>45549</i>
<i>Company Tracking Number:</i>	<i>MGA07168</i>		
<i>TOI:</i>	<i>LTC06 Long Term Care - Other</i>	<i>Sub-TOI:</i>	<i>LTC06.000 Long Term Care - Other</i>
<i>Product Name:</i>	<i>Disclosure Statement/Rider Summary</i>		
<i>Project Name/Number:</i>	<i>/</i>		

## Filing at a Glance

Company: Lincoln National Life Insurance Company

Product Name: Disclosure Statement/Rider      SERFF Tr Num: JPFC-126608153      State: Arkansas

Summary

TOI: LTC06 Long Term Care - Other      SERFF Status: Closed-Filed      State Tr Num: 45549

Sub-TOI: LTC06.000 Long Term Care - Other      Co Tr Num: MGA07168      State Status: Closed

Filing Type: Advertisement      Reviewer(s): Marie Bennett

Authors: Tracy Jackson, David      Disposition Date: 05/12/2010

Miceli

Date Submitted: 04/30/2010      Disposition Status: Filed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

## General Information

Project Name:

Status of Filing in Domicile: Not Filed

Project Number:

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Group Market Size:

Overall Rate Impact:

Group Market Type:

Filing Status Changed: 05/12/2010

Explanation for Other Group Market Type:

State Status Changed: 05/12/2010

Deemer Date:

Created By: David Miceli

Submitted By: David Miceli

Corresponding Filing Tracking Number:

Filing Description:

RE: Form # MGA07168; Disclosure Statement/Rider Summary Fixed Annuity with LTC

The Lincoln National Life Insurance Company,  
NAIC #0020-65676, FEIN #35-0472300

Dear Sir or Madam:

Enclosed for your review and approval are final print copies of the above referenced form which is new and not intended to replace any form previously submitted to or approved by your Department.

<i>SERFF Tracking Number:</i>	<i>JPFC-126608153</i>	<i>State:</i>	<i>Arkansas</i>
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Form MGA07168 is a Disclosure Statement/Rider Summary to be submitted with all applications for 06-608 Single Premium Deferred Annuity with LTC. Form 06-608 was approved by your department on February 2, 2006. LTC Rider forms were approved by your Department on February 12, 2010. Form MGA07168 may be printed by the general public as well as by agent website users.

Form MGA07168 contains no unusual features or language that deviates from insurance industry standards. We reserve the right to change and modify this form without changing the content or language

If there are any questions regarding this submission, please contact me at 1-800-458-5299 ext. 4705 or email me at david.m.miceli@lfg.com.

## Company and Contact

### Filing Contact Information

David Miceli, Manager, Annuity Product Compliance	david.m.miceli@lfg.com
100 N Greene St.	800-458-5299 [Phone] 4705 [Ext]
Greensboro, NC 27401	336-335-2925 [FAX]

### Filing Company Information

Lincoln National Life Insurance Company	CoCode: 65676	State of Domicile: Indiana
350 Church St.	Group Code: 20	Company Type: Insurance
Hartford, CT 06103	Group Name:	State ID Number:
(800) 458-5299 ext. [Phone]	FEIN Number: 35-0472300	

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## Filing Fees

Fee Required?	Yes
Fee Amount:	\$20.00
Retaliatory?	No
Fee Explanation:	
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Lincoln National Life Insurance Company	\$20.00	04/30/2010	36091871
Lincoln National Life Insurance Company	\$30.00	05/06/2010	36267984

SERFF Tracking Number:	JPFC-126608153	State:	Arkansas
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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Marie Bennett	05/12/2010	05/12/2010

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending	Marie Bennett	05/05/2010	05/05/2010	David Miceli	05/06/2010	05/06/2010
Industry						
Response						

<i>SERFF Tracking Number:</i>	<i>JPFC-126608153</i>	<i>State:</i>	<i>Arkansas</i>
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## Disposition

Disposition Date: 05/12/2010

Implementation Date:

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: JPFC-126608153 State: Arkansas  
Filing Company: Lincoln National Life Insurance Company State Tracking Number: 45549  
Company Tracking Number: MGA07168  
TOI: LTC06 Long Term Care - Other Sub-TOI: LTC06.000 Long Term Care - Other  
Product Name: Disclosure Statement/Rider Summary  
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Schedule	Schedule Item	Schedule Item Status	Public Access
Form	Disclosure Statement/Rider Summary		Yes

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TOI: LTC06 Long Term Care - Other Sub-TOI: LTC06.000 Long Term Care - Other  
Product Name: Disclosure Statement/Rider Summary  
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## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 05/05/2010  
Submitted Date 05/05/2010

Respond By Date

Dear David Miceli,

This will acknowledge receipt of the captioned filing.

### Objection 1

- Disclosure Statement/Rider Summary, MGA07168 (Form)

Comment: EFFECTIVE 1/1/10. AR RULE 57, SEC 5, SSEC 11, REQUIRES A FILING FEE OF \$50.00 PER ADVERTISEMENT AND/OR FORM.

Please feel free to contact me if you have questions.

Sincerely,

Marie Bennett

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 05/06/2010  
Submitted Date 05/06/2010

Dear Marie Bennett,

### Comments:

This is in response to your request.

### Response 1

Comments: We have submitted an additional \$30.00

#### Related Objection 1

Applies To:

- Disclosure Statement/Rider Summary, MGA07168 (Form)

Comment:

EFFECTIVE 1/1/10. AR RULE 57, SEC 5, SSEC 11, REQUIRES A FILING FEE OF \$50.00 PER ADVERTISEMENT AND/OR FORM.

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*Product Name:*              *Disclosure Statement/Rider Summary*  
*Project Name/Number:*      /

**Changed Items:**

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Let us know if there is anything else we can provide.

Sincerely,  
David Miceli, Tracy Jackson

SERFF Tracking Number: JPFC-126608153 State: Arkansas

Filing Company: Lincoln National Life Insurance Company State Tracking Number: 45549

Company Tracking Number: MGA07168

TOI: LTC06 Long Term Care - Other Sub-TOI: LTC06.000 Long Term Care - Other

Product Name: Disclosure Statement/Rider Summary

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## Form Schedule

Lead Form Number: MGA07168

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	MGA07168	Advertising Disclosure Statement/Rider Summary	Initial		0.000	MGA07168.pdf



# Lincoln Long-Term Care<sup>SM</sup> Fixed Annuity

**DISCLOSURE STATEMENT AND LONG-TERM CARE BENEFITS RIDER SUMMARY** for *Lincoln Long-Term Care<sup>SM</sup>* Fixed Annuity (Contract Form 06-608, or state variation) with Long-Term Care Benefits Rider (Form AE-227, or state variation), Long-Term Care Coverage Endorsement (Form AE-235, or state variation) and Contract Amendment for Long –Term Care Benefits (Form AE-236, or state variation) issued by The Lincoln National Life Insurance Company, Fort Wayne, IN (“Lincoln” or “we”), Administrative Office: 1300 S. Clinton St., Fort Wayne, IN 46802-3506

## INTRODUCTION

Thank you for applying for a *Lincoln Long-Term Care<sup>SM</sup>* Fixed Annuity with Long-Term Care Benefits Rider and Long-Term Care Coverage Endorsement. We want to make sure that you understand its features and benefits. **Please read the following information carefully.** This document reviews important points to think about before and after you buy this Lincoln annuity. This Disclosure Statement and Long-Term Care Benefits Rider Summary is written with you as the Owner and Annuitant of the Annuity Contract and you as the Covered Life under the Long-Term Care Benefits Rider.

This annuity is single-premium which means you buy it with one premium (payment). It is a fixed annuity, which means the annuity earns a specified interest rate during the guarantee period. This annuity is deferred, which means benefits or payouts begin at a future date. You do not pay taxes on the interest the annuity earns until money is paid to you. You primarily use this annuity to save money for Long-Term Care (“LTC”) needs, but you can also use it for retirement to receive retirement income. It is not meant to be used to meet short-term financial goals. It is intended for a person who has enough cash or other liquid assets to pay for living expenses and unexpected emergencies, such as medical bills.

The Long-Term Care Benefits Rider provides for monthly payments of Long-Term Care benefits upon your receipt of Qualified Long-Term Care services.

The issuance of the Long-Term Care Benefits Rider and Long-Term Care Coverage Endorsement is not subject to medical underwriting. However, it is subject to your truthful affirmations and agreement to the statements related to your health contained in the Contract Amendment for Long-Term Care Benefits (“Contract Amendment”). The Contract Amendment and a duplicate copy of the Contract Amendment will be attached to the Long-Term Care Benefits Rider when the Long-Term Care Benefits Rider is delivered to you. You have to read, review, sign and return the duplicate copy of the Contract Amendment to Lincoln within 45 days of the effective date of the Long-Term Care Benefits Rider. If Lincoln does not receive your signed Contract Amendment within the required 45 days, the *Lincoln Long-Term Care<sup>SM</sup>* Fixed Annuity with the Long-Term Care Benefits Rider will be terminated and void from the beginning, and the premium paid will be refunded to you.

**This annuity can not be purchased without the Long-Term Care Benefits Rider and Long-Term Care Coverage Endorsement.**

**If you have questions about this annuity, please contact your agent, broker, or advisor, or contact a Lincoln representative at 877-534-4636.**

## THE ANNUITY CONTRACT (Note: Contract may be referred to as “policy”)

- The minimum single premium is \$50,000.
- Current initial base interest rate\* (guaranteed for 5 years) is ..... %

### How will the value of my annuity grow?

Your annuity earns tax-deferred interest at a guaranteed rate for an interest rate guarantee period of 5 years. The guaranteed interest rate depends on the current interest rates published by Lincoln. Your contract’s initial base interest rate will be the initial base interest rate in effect on the day the contract is issued. After the initial 5-year guarantee period, Lincoln will declare annually, at its discretion, a renewal interest rate for each subsequent contract year. The renewal rate will be subject to the guaranteed minimum interest rate.

The guaranteed minimum interest rate is 1.25% during the initial 5-year guarantee period. After the initial period, the guaranteed minimum interest rate will be recalculated annually, and will be between 1.00% and 3.00%.

Interest compounds daily and is credited to your contract each day. All interest rates are expressed as annual effective interest rates. If you take any partial or systematic withdrawals during the contract year, your actual earned interest amount will be reduced due to an interruption of interest compounding.

**If you withdraw money from your annuity or surrender your annuity before the end of the surrender charge period or are paid Long-Term Care Benefits, other charges may apply (see “FEES, EXPENSES & OTHER CHARGES” on page 4). If you do not withdraw the premium or any interest from your annuity, the value of your annuity cannot go down.**

\* The actual interest rate credited will be the rate in effect on the day the contract is issued subject to applicable rate lock provisions. Interest is calculated from the date the contract is issued. No interest is credited between the date the premium payment is received and the date the contract is issued.

## LONG-TERM CARE BENEFITS

### How do I get Long-Term Care Benefits from my annuity?

First you must notify Lincoln of your intent to file a claim. Second, the Covered Life's initial Benefit Eligibility will be determined by Lincoln. Third, after the Covered Life's initial Benefit Eligibility is established by Lincoln, you must submit a Request for Benefits to be paid by Lincoln for those calendar months during which the Covered Life receives paid Qualified Long-Term Care Services pursuant to the Plan of Care.

The two primary Long-Term Care Benefits are the Acceleration Benefit and the Extension Benefit ("LTC Base Benefits"). An additional Long-Term Care Benefit, the Long-Term Care Growth Benefit ("LTC Growth Benefit") may also be available. "Total LTC Benefits" is the LTC Base Benefit plus the LTC Growth Benefit, if any. The Acceleration Benefit is payment to you from your contract's accumulation value during the Acceleration Benefit Duration. After the Acceleration Benefit has been fully paid and the Acceleration Benefit has been reduced to zero, LTC Base Benefits will continue to be provided as the Extension Benefit. The Extension Benefit is payment to you by the Lincoln during the Extension Benefit Duration.

The LTC Growth Benefit is an additional payment that may be available to you from your contract's accumulation value during the Acceleration Benefit Duration and the Extension Benefit Duration. There is a maximum LTC Base Benefit and a maximum LTC Growth Benefit that may be paid for each month and these maximums are called the Maximum Monthly LTC Base Benefit and the Maximum Monthly LTC Growth Benefit. Both the Maximum Monthly LTC Base Benefit and the Maximum Monthly LTC Growth Benefit are recalculated on each Rider anniversary and each time a withdrawal (other than a withdrawal for LTC Base Benefits and LTC Growth Benefits) is made.

You decide whether to receive the Acceleration Benefit over a 2-year or 3-year Benefit Duration. If you choose to receive the Acceleration Benefit over a 2-year period, Lincoln will pay you the Extension Benefit over 4 years. If you choose to receive the Acceleration Benefit over a 3-year period, Lincoln will pay you the Extension Benefit over 3 years. The total Acceleration Benefit that you will receive will be the same for either period.

The Long-Term Care Benefits payments will normally be paid to you over a minimum 6-year period after the Long-Term Care Coverage Effective Date and satisfaction of a 90-day deductible period (Long-Term Care Benefits may be paid earlier from the Rider date but with lower monthly payments spread out over a longer payment period).

The maximum amount of Long-Term Care Benefits that Lincoln will pay each month will differ as we will divide the total Acceleration Benefit by the number of months you have chosen to receive it to determine the maximum amount to be paid each month. If you choose the 2 + 4 Benefit Duration, the maximum monthly amount will be greater than if you choose the 3 + 3 Benefit Duration. The total Extension Benefit amount that will be paid under the 2 + 4 Benefit Duration will be double the total amount of the Acceleration Benefit. Under the 3 + 3 Benefit Duration the total amount of Extension Benefit will be equal to the total Acceleration Benefit. Long-Term Care Benefits Rider charges are more for the 2 + 4 Benefit Duration than for the 3 + 3 Benefit Duration.

The following chart shows the amount of Long-Term Care Benefits that you may receive for a single premium payment of \$50,000 if no withdrawals are made from your annuity and no Long-Term Care Benefits are paid before the full benefit date. The monthly amount of coverage is based on the amount of the single premium paid and the length of the Acceleration and Extension Benefit Durations selected by you.

<b>Acceleration Benefit Duration</b>	<b>Extension Benefit Duration</b>	<b>Guaranteed Minimum Monthly Maximum Benefit</b>	<b>Guaranteed Minimum Total Long-Term Care Benefit for a Single Premium of \$50,000</b>
2 Years	4 Years	\$2,083.33	\$150,000
3 Years	3 Years	\$1,388.89	\$100,000

If you are not in a nursing home, the monthly benefit limits are reduced 50%, but the total benefits payable are the same. This results in a longer benefit payment period while you are receiving Long-Term Care services other than residential nursing home care.

The LTC Growth Benefit has no value on the Rider Date – its value is zero. The LTC Growth Benefit is recalculated on each Rider anniversary and each time a withdrawal (other than a withdrawal for LTC Base Benefits) is made and each time a LTC Growth Benefit is paid. The LTC Growth Benefit is equal to the contract's accumulation value less the Acceleration Benefit preceding any withdrawal. The LTC Growth Benefit is only paid for a month during which you received any LTC Base Benefit.

The Long-Term Care Benefits Rider makes available an Optional Nonforfeiture Benefit in the form of a paid-up Long-Term Care Benefit if the contract is surrendered after the third contract anniversary or annuitized by the Owner after five years or prior to age 95. There is an additional charge for this benefit, but it must be elected at contract issue. The Optional Nonforfeiture Benefit will be the greater of one month's Maximum Monthly LTC Base Benefit in effect or an amount equal to the sum of the Extension Benefit and Optional Nonforfeiture Benefit Charges paid less any prior Extension Benefits paid.

If the Optional Nonforfeiture Benefit is not elected, Lincoln will provide a Contingent Nonforfeiture Benefit which will be the greater of one month's Maximum Monthly LTC Base Benefit in effect or an amount equal to the Extension Benefit Charges paid less any prior Extension Benefits paid. The Contingent Nonforfeiture Benefit will be provided if the contract is surrendered within 120 days after the sum of the Rider Charges have increased.

**Long-Term Care “inflation protection” is not currently available under the Long-Term Care Benefits Rider.**

**The Long-Term Care Benefits Rider may not cover all of the long-term care expenses incurred by you during the period of coverage. Accordingly, we strongly advise you to review carefully all contract terms, conditions, limitations and exclusions. You may never need the long-term care services provided under the Rider.**

## **FIXED ANNUITY INCOME BENEFITS**

### **How do I get retirement income (payouts) from my annuity?**

The primary purpose of this annuity is to provide Long-Term Care Benefits, but the annuity can also be turned into an income stream.

After the 5<sup>th</sup> contract year\*\*, you (as the annuitant) can start to get retirement income from your annuity (“annuitization”). You can choose how to get retirement income—the payout option. Your payout option choices now are:

- **Income for a Fixed Period:** Pays income for a period of at least 5 years.
- **Life Only:** Guarantees income for as long as you live.
- **Life Income with Guaranteed Period:** Guarantees income for as long as you live. If you die within the guaranteed period (usually 10 or 20 years), pays income to your beneficiary for the rest of the period.
- **Life with Installment Refund:** Pays income as long as you live. If you die before the sum of the payments equals the amount of the annuity proceeds on the date you start receiving income, Lincoln will continue to make income payments until the sum of all annuity payments equals the annuity proceeds.
- **Interest Only:** For an agreed-upon period of at least 5 years, Lincoln will hold your annuity proceeds, which will earn interest at a rate Lincoln declares annually. During this period, you have a choice:
  - Interest will be paid periodically; or
  - Interest will accumulate.

At any time during this period, you may choose another payment option to receive your annuity proceeds, including any accumulated interest. At the end of the period, you may choose another payout option to receive your annuity proceeds, including any accumulated interest, or receive them as a single (lump sum) payment. Annuity payments are calculated at an interest rate of no less than 1.50%.

- **Income of a Fixed Amount:** Annuity payments are paid in an agreed amount until annuity proceeds and interest are exhausted. The payment period must be for at least 5 years.

If you do not choose a payout option, Life Income with a Guaranteed Period of 10 years will become effective. Once you start to receive your payouts, you can not surrender the supplementary contract.

Long-Term Care Benefits paid under this annuity will reduce the contract’s accumulation value, which means that there will be a smaller amount available to annuitize.

### **What is the Maturity Date?**

The maturity date is the date when your annuity ends its **accumulation (interest-earning)** phase and begins the **income (payout) phase**.

The maturity date will be shown on the schedule page of your contract. You may change the maturity date anytime before income payments begin. The maturity date will be no earlier than the 5<sup>th</sup> contract anniversary\*\* and no later than the 10<sup>th</sup> contract anniversary or the contract anniversary on or immediately following your 95<sup>th</sup> birthday.

If you have reached age 95 and you do not receive Total LTC Benefits, you must choose an available annuitization option. No further withdrawals from the contract’s accumulation value can be made and the death benefit, if any, will be determined by the payout option you have chosen. All Long-Term Care charges will end and the remaining Extension Benefit will be in-force, paid-up Long-Term Care coverage while the Total LTC Benefits will be terminated.

If you have reached age 95 and you receive Total LTC Benefits, Lincoln will extend the maturity date and will continue to pay you Total LTC Benefits until the earlier of the following: the death of the Covered Life; or when the Total LTC Benefits has been reduced to zero (\$0); or until the benefit eligibility ends; or when the contract is terminated; or when you elect to annuitize.

### **What happens after I die?**

If you die before Lincoln starts to pay you income from your annuity, the value of your annuity is payable to your beneficiary. If you die after the payouts have started, depending on the type of payout you chose, Lincoln will pay the remaining value in the annuity, if any, to your beneficiary.

If the value of your annuity is depleted by Long-Term Care Benefit payments, there will be no death benefit.

\*\* For contracts issued in Florida, “After the 1<sup>st</sup> contract year”

## FEES, EXPENSES & OTHER CHARGES

### Are there any front-end sales charges or annual administrative fees?

The **Lincoln Long-Term Care<sup>SM</sup>** Fixed Annuity has no front-end sales charges or annual administrative fees. Some states charge a premium tax. Lincoln deducts premium taxes if Lincoln is required to pay them.

### Long-Term Care Benefits Rider Charges

The Long-Term Care Benefits Rider Charges consists of up to three types of percentage charges based on your age and gender; and the Acceleration Benefit Duration and Extension Benefit Duration period that you choose. These percentages are guaranteed during the contract's surrender charge period, but are subject to change thereafter.

- The Acceleration Charge is equal to the Initial Acceleration Benefit adjusted for withdrawals, multiplied by the Acceleration Charge Percentage. There will be no Acceleration Charge deducted once the Acceleration Benefit is reduced to zero.
- The Extension Charge is equal to the Initial Extension Benefit adjusted for withdrawals, multiplied by the Extension Charge Percentage. There will be no Extension Charge deducted once the Acceleration Benefit is reduced to zero.
- There will be a Nonforfeiture Charge only if the Optional Nonforfeiture Benefit is elected when the Long-Term Care Benefits Rider is issued. The Nonforfeiture Charge is equal to the Initial Extension Benefit adjusted for withdrawals, multiplied by the Nonforfeiture Charge Percentage. There will be no Nonforfeiture Charge deducted once the Acceleration Benefit is reduced to zero.

The Acceleration Charge Percentage, Extension Charge Percentage and the Nonforfeiture Charge Percentage are guaranteed during the contract's surrender charge period. After the surrender charge period, Lincoln, at its discretion, may change a percentage, but any change will be made in a non-discriminatory manner and will be subject to approval by state insurance authorities as required by law.

Rider Charges will be deducted from the contract's accumulation value every three months beginning three months after the Rider Effective Date. Rider Charges will not be deducted if the contract's accumulation value is zero. **Any decrease in the Maximum Monthly LTC Base Benefit due to withdrawals from the contract's accumulation value (other than withdrawals for Total LTC Benefits) will reduce Rider Charges proportionately.**

### What happens if I take out some or all of the money from my annuity?

Your **Lincoln Long-Term Care<sup>SM</sup>** Fixed Annuity is a long-term contract with the purpose of providing Long-Term Care Benefits. You should plan to keep your annuity.

You can access the money in your annuity when you need it, but you should carefully consider taking a withdrawal other than Total LTC Benefits. You should not take withdrawals during the contract's surrender charge period. Before retirement income payouts begin, you can withdraw all of your annuity's value (**full surrender**) or part of it (**partial surrender**). You can take a partial surrender as long as the amount you take is at least \$100 and you leave at least \$5,000 in the contract. If you choose to take withdrawals from your annuity contract (other than Total LTC Benefits) the Long-Term Care Benefits will be reduced proportionately. As this Rider is a part of your annuity contract, if you elect to surrender the annuity contract for its surrender value, the Long-Term Care Benefits will be terminated as well, although some reduced nonforfeiture benefit may become available.

A maximum of 10% of the contract's accumulation value can be withdrawn each contract year and free of surrender charges. During the first 5 contract years partial surrenders above the free 10% are subject to a surrender charge. Surrender charges are expressed as a percentage of the contract's accumulation value. The surrender charge schedule is shown below:

Contract Year					
1	2	3	4	5	6+
8%	8%	7%	6%	5%	0%

**Example:** Assume you have a **Lincoln Long-Term Care<sup>SM</sup>** Fixed Annuity with an accumulation value of \$100,000 and wish to withdraw \$15,000 in the fifth contract year. If this is your first withdrawal during the current contract year:

The first 10% of your contract's accumulation value, or \$10,000, will have no (\$0) surrender charge. For the balance of your withdrawal, or \$5,000, we will apply a surrender charge of 5%. The surrender charge is  $\$5,000 \times 0.05 = \$250$ . As a result, you would receive \$14,750 (\$15,000 – surrender charge of \$250.)

Systematic withdrawals can be made monthly, quarterly, semiannually or annually, subject to a minimum accumulation value of \$20,000 for monthly and \$10,000 for other frequencies. The remaining accumulation value after any systematic withdrawal must be at least \$5,000.

Due to surrender charges you may receive less than your premium if you surrender your annuity during the early years. Any Long-Term Care Benefit taken out will reduce the free partial surrender amount available. Surrender charges will be waived on any Long-Term Care Benefit taken out during the Acceleration Duration.

**Any withdrawal (other than Total LTC Benefits) will reduce the Maximum Monthly LTC Base Benefit, the Maximum Monthly LTC Growth Benefit, the Acceleration Benefit and the Extension Benefit proportionately.**



## TAXES

The **Lincoln Long-Term Care<sup>SM</sup>** Fixed Annuity with Long-Term Care Benefits Rider and Long-Term Care Coverage Endorsement is intended to be a qualified long-term care insurance contract under Section 7702B(b) of the Internal Revenue Code of 1986, as amended (the "Code"). The Pension Protection Act of 2006 extends long-term care coverage rules to coverage provided by your **Lincoln Long-Term Care<sup>SM</sup>** Fixed Annuity with Long-Term Care Benefits Rider and Long-Term Care Coverage Endorsement, for contracts issued after December 31, 1996, and effective for tax years beginning after December 31, 2009. Lincoln considers the rider charges that are deducted from your annuity contract to be charges paid for long-term care coverage, which are excluded from gross income under section 72(e) (11) of the Code. Lincoln also considers the benefits paid under your **Lincoln Long-Term Care<sup>SM</sup>** Fixed Annuity with Long-Term Care Benefits Rider and Long-Term Care Coverage Endorsement that do not exceed the greater of: (1) the expenses actually incurred for qualified long-term care services as described in your Long-Term Care Coverage Endorsement, or (2) a maximum per diem limit as prescribed by law, to be qualified long-term care coverage. The tax treatment of long-term care coverage may change, and you should always consult and rely on the advice of a qualified tax advisor.

### How will payouts and withdrawals from my annuity be taxed?

This annuity is tax-deferred, which means you do not pay taxes on the interest it earns until the money is paid to you. When you take payouts or make a withdrawal (other than Total LTC Benefits), you pay ordinary income taxes on the earned interest. You also pay a 10% federal penalty tax on earnings you withdraw before age 59½. If your state imposes a premium tax, it will be deducted from the money you receive. You can exchange one tax-deferred annuity for another without paying taxes on the earnings when you make the exchange. Before you do, compare the benefits, features, and costs of the two annuities. You may pay a surrender charge if you make the exchange during the first 5 contract years for the **Lincoln Long-Term Care<sup>SM</sup>** Fixed Annuity. Also, you may pay a surrender charge if you make withdrawals from the new annuity during the early years you own it.

### Does buying an annuity in a retirement plan provide extra tax benefits?

Buying an annuity within an IRA, 401(k), or other tax-deferred retirement plan does not give you any extra tax benefits. Choose your annuity based on its other features and benefits as well as its risks and costs, not its tax benefits. You should consider other annuity features, including the availability of lifetime payments and death benefit protection.

Lincoln considers Rider Charges that are deducted from the contract, to be charges paid for long-term care coverage, which are excluded from gross income under section 72(e) (11) of the Code. Lincoln also considers the benefits paid under the Rider that do not exceed the greater of the expenses actually incurred for qualified Long-Term Care services as described in the Long-Term Care Coverage Endorsement, or a maximum daily limit as prescribed by law, to be qualified long-term care coverage. Tax treatment of long-term care coverage may change, and you should always consult and rely on the advice of a qualified tax advisor.

Tax information reflects Lincoln's understanding of current federal tax laws as they apply to annuities. Tax laws are complex and subject to change and different interpretations. We do not give legal, accounting or tax advice. We suggest you seek the counsel of a qualified tax advisor regarding annuity taxation as it applies to you specifically.

## OTHER INFORMATION

### What else do I need to know?

#### Summary Description

Thank you for applying for a **Lincoln Long-Term Care<sup>SM</sup>** Fixed Annuity with Long-Term Care Benefits Rider and Long-Term Care Coverage Endorsement. (Contract Form 06-608 or state variation) is issued by The Lincoln National Life Insurance Company, Fort Wayne, IN, and may not be available in all states.

This Disclosure Statement contains a summary description of the **Lincoln Long-Term Care<sup>SM</sup>** Fixed Annuity. The exact terms of your annuity are contained in the contract and any attached riders and endorsements, which will control Lincoln's contractual obligations. This Disclosure Statement is not a part of the contract. Guarantees are backed by the claims paying ability of The Lincoln National Life Insurance Company. For complete information about the annuity, including costs and details of coverage, please read the product's Client Guide and Facts-At-A-Glance, or contact your agent, broker or advisor, or contact a Lincoln representative.

#### Changes to your contract

We may change your annuity contract from time to time to follow federal or state laws and regulations. If we do, we'll tell you about the changes in writing.

#### Compensation

We pay the agent, broker or firm for selling the annuity to you. They may receive additional compensation for selling this annuity contract.

**Free Look**

Many states have laws that give you a set number of days to look at an annuity contract after you buy it (called “Free Look”). If you decide during that time that you do not want the contract, you can send a written request to cancel and return the annuity and we will return your premium paid for the contract. Canceling your contract will void the contract from the beginning. Please note that if you cancel your contract, you may not purchase another Lincoln Fixed Annuity during the next 6 months. Read the face page of your contract to learn about your Free Look period.

**Lincoln’s Discretion**

It is within Lincoln’s sole discretion to set and declare interest rates for this annuity, subject to any minimum guarantees contained in the contract.

**What should I know about the insurance company?**

The Lincoln National Life Insurance Company offers a wide variety of retirement income security products, including life insurance, annuities, long-term care insurance, and disability income insurance. We are also a leading provider of products and services to workplace-based pension plans—both defined contribution and defined benefit plans.

**Owner/Applicant's, Joint Owner/Applicant's (if applicable) and Covered Life Disclosure Statement Signature Page**

The undersigned Owner, and Joint Owner, if any, acknowledge that I/we:

- Have paid \$ \_\_\_\_\_ to purchase the annuity contract from Lincoln and elected the following Long-Term Care Base Benefits Duration: (Check only one option.)
  - ☐ 2 years Acceleration Benefit + 4 years Extension Benefit
  - ☐ 3 years Acceleration Benefit + 3 years Extension Benefit
- Have sufficient cash or other liquid assets for living expenses and unexpected emergencies, such as medical expenses, in excess of the premium I am paying for this annuity contract.
- Understand that the actual interest rate credited will be the rate in effect the day the contract is issued subject to applicable rate lock provisions.
- Understand that the interest is calculated from the date the contract is issued. No interest is credited between the date the premium payment is received and the date the contract is issued.
- Understand the annuity is a long-term contract with substantial penalties for early withdrawals and surrenders.
- The Long-Term Care Benefits Rider and Long-Term Care Coverage Endorsement are only for non-qualified contracts with a minimum contract value of \$50,000. If you are replacing an existing long-term care contract, please be aware that you are responsible for verifying that your original contract was issued after December 31, 1996 and if it was not, the **Lincoln Long-Term Care<sup>SM</sup>** Fixed Annuity with Long-Term Care Benefits Rider and Long-Term Care Coverage Endorsement is not available.
- Have received, reviewed and understand:
  - this Disclosure Statement;
  - the **Lincoln Long-Term Care<sup>SM</sup>** Facts-At-A-Glance;
  - the **Lincoln Long-Term Care<sup>SM</sup>** Client Guide; and
  - the Long-Term Care Insurance Outline of Coverage
- Believe the annuity contract and Acceleration Benefit and Extension Benefit Durations selected meet my/our financial needs.

**Optional Nonforfeiture Benefit** (Check box to elect)

☐ I elect to receive the Optional Nonforfeiture Benefit.

**Existing and Pending Long-Term Care Insurance**

Long-Term Care Insurance in-force or pending on the Proposed Covered Life

Company	Year of Issue	Long-Term Care Maximum Daily Benefit	Insurance to be Replaced (Life, Health, Annuity or Long-Term Care)

Remarks section: \_\_\_\_\_

**Regarding the Proposed Covered Life:** (Provide Details to all "Yes" answers in Remarks section above.)

1. Will the contract applied for replace any life insurance contract, annuity contract, long-term care insurance contract or health insurance contract currently in force with this or any other company? (If yes, please complete the appropriate required state replacement forms.) ☐ Yes ☐ No
2. Has any long-term care insurance contract lapsed, been surrendered or otherwise terminated in the past 24 months? (If yes, please provide details; include the dates of lapse, surrender or termination, in the Remarks section above.) ☐ Yes ☐ No
3. Does the Proposed Covered Life currently have, or within the past 12 months has the Proposed Covered Life had any long-term care policies or riders (including health care service or health maintenance organization contracts) in force or pending? ☐ Yes ☐ No
4. Does the Proposed Covered Life's long-term care contracts or riders include Home Health Care coverage? ☐ Yes ☐ No
5. Has any health insurance, nursing home or home health care coverage applied for ever been declined, postponed or offered other than applied for? ☐ Yes ☐ No
6. Is the Proposed Covered Life currently covered by Medicaid? ☐ Yes ☐ No

\_\_\_\_\_  
Owner/Applicant's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Joint Owner/Applicant's Signature (if applicable)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Covered Life's (if other than Owner/Applicant's) Signature

\_\_\_\_\_  
Date

### Representative/Agent's Statement

I certify that I have:

- Read, explained and given to the Owner/Applicant and Joint Owner/Applicant, if any, and Covered Life, if other than Owner/Applicant, this Disclosure Statement, the **Lincoln Long-Term Care<sup>SM</sup>** Client Guide, Facts-At-A-Glance and Long-Term Care Insurance Outline of Coverage.
- Made no statements that are inconsistent with this Disclosure Statement, or made any promises about expected future interest rates of the annuity contract or about Long-Term Care Benefit payments.

### Representative/Agent's Certification

The Representative/Agent signing below certifies that:

1. The Proposed Owner/Applicant and Joint Owner/Applicant, if any, and Covered Life, if other than Owner/Applicant, have reviewed all responses to questions on this Disclosure Statement, and I recommend the risk to Lincoln without reservation.
2. To the best of my knowledge the insurance applied for (select only one)
  - ☐ Will replace
  - ☐ Will not replaceany life insurance contract, annuity contract, long-term care insurance contract or health insurance contract on the life of the Proposed Covered Life/Owner.
3. If a replacement is intended, I have given the appropriate Replacement forms to the Proposed Covered Life/Owner at the time of application.

List all Long-Term Care or Health Insurance that you have sold to the Proposed Owner/Applicant and Joint Owner/Applicant, if any, and Covered Life, if other than Owner/Applicant:

1. That is still in force; and
2. In the last 5 years that is no longer in force.

Company	Contract Number	Year of Issue	Inforce	No longer In Force
			(check which apply)	

\_\_\_\_\_  
Representative/Agent's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Representative/Agent's Printed Name

● Not a Deposit ● Not FDIC Insured ● Not Insured by any Federal Government Agency  
● Not Guaranteed By any Bank or Savings Association ● May Go Down in Value